

**ASSEMBLY BILL**

**No. 2665**

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**Introduced by Assembly Member Audra Strickland**

February 19, 2010

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An act to add and repeal Sections 17053.88 and 23688 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2665, as introduced, Audra Strickland. Income tax credits: emergency standby generators.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2011, and before January 1, 2016, in an amount equal to 5% of the amount paid or incurred during the taxable year for the purchase and installation of an emergency standby generator, as defined, at a service station, as defined, located in this state.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. It is the intent of this act to provide an incentive
- 2 for a taxpayer that operates a service station to purchase and install
- 3 an emergency standby generator at a service station located in this
- 4 state in order for the service station to be able to continue to

1 maintain electrical power to provide services to the public during  
2 power outages.

3 SEC. 2. Section 17053.88 is added to the Revenue and Taxation  
4 Code, to read:

5 17053.88. (a) For each taxable year beginning on or after  
6 January 1, 2011, and before January 1, 2016, there shall be allowed  
7 as a credit against the “net tax,” as defined in Section 17039, an  
8 amount equal to 5 percent of the amount paid or incurred during  
9 the taxable year for the purchase and installation of an emergency  
10 standby generator at a service station located in this state.

11 (b) For purposes of this section:

12 (1) “Emergency standby generator” means an electrical  
13 generator that is rated by the manufacturer to generate at least 30  
14 kilowatts of electricity and whose sole function is to automatically  
15 provide electric power when electric power from a utility service  
16 is interrupted.

17 (2) “Service station” means an establishment that offers for sale  
18 or sells to the public, gasoline or other fuel to power motor  
19 vehicles.

20 (c) If an emergency standby generator for which a credit is  
21 allowed pursuant to this section is thereafter sold or removed from  
22 service by the taxpayer within one year from the date the  
23 emergency standby generator was placed in service, the amount  
24 of credit allowed by this section for the purchase and installation  
25 of that emergency standby generator shall be recaptured by adding  
26 that credit amount to the net tax of the taxpayer for the taxable  
27 year in which the emergency standby generator is sold or removed.

28 (d) In the case where the credit allowed by this section exceeds  
29 the “net tax,” the excess may be carried over to reduce the “net  
30 tax” in the following year, and succeeding years if necessary, until  
31 the credit is exhausted.

32 (e) This section shall remain in effect only until December 1,  
33 2016, and as of that date is repealed.

34 SEC. 3. Section 23688 is added to the Revenue and Taxation  
35 Code, to read:

36 23688. (a) For each taxable year beginning on or after January  
37 1, 2011, and before January 1, 2016, there shall be allowed as a  
38 credit against the “tax,” as defined in Section 23036, an amount  
39 equal to 5 percent of the amount paid or incurred during the taxable

1 year for the purchase and installation of an emergency standby  
2 generator at a service station located in this state.

3 (b) For purposes of this section:

4 (1) "Emergency standby generator" means an electrical  
5 generator that is rated by the manufacturer to generate at least 30  
6 kilowatts of electricity and whose sole function is to automatically  
7 provide electric power when electric power from a utility service  
8 is interrupted.

9 (2) "Service station" means an establishment that offers for sale  
10 or sells to the public, gasoline or other fuel to power motor  
11 vehicles.

12 (c) If an emergency standby generator for which a credit is  
13 allowed pursuant to this section is thereafter sold or removed from  
14 service by the taxpayer within one year from the date the  
15 emergency standby generator was placed in service, the amount  
16 of credit allowed by this section for the purchase and installation  
17 of that emergency standby generator shall be recaptured by adding  
18 that credit amount to the tax of the taxpayer for the taxable year  
19 in which the emergency standby generator is sold or removed.

20 (d) In the case where the credit allowed by this section exceeds  
21 the "tax," the excess may be carried over to reduce the "tax" in  
22 the following year, and succeeding years if necessary, until the  
23 credit is exhausted.

24 (e) This section shall remain in effect only until December 1,  
25 2016, and as of that date is repealed.

26 SEC. 4. This act provides for a tax levy within the meaning  
27 of Article IV of the Constitution and shall go into immediate effect.